

### EUROPEAN UNION (EU)<sup>1</sup> TRADE WITH JAPAN -Results for 1995-

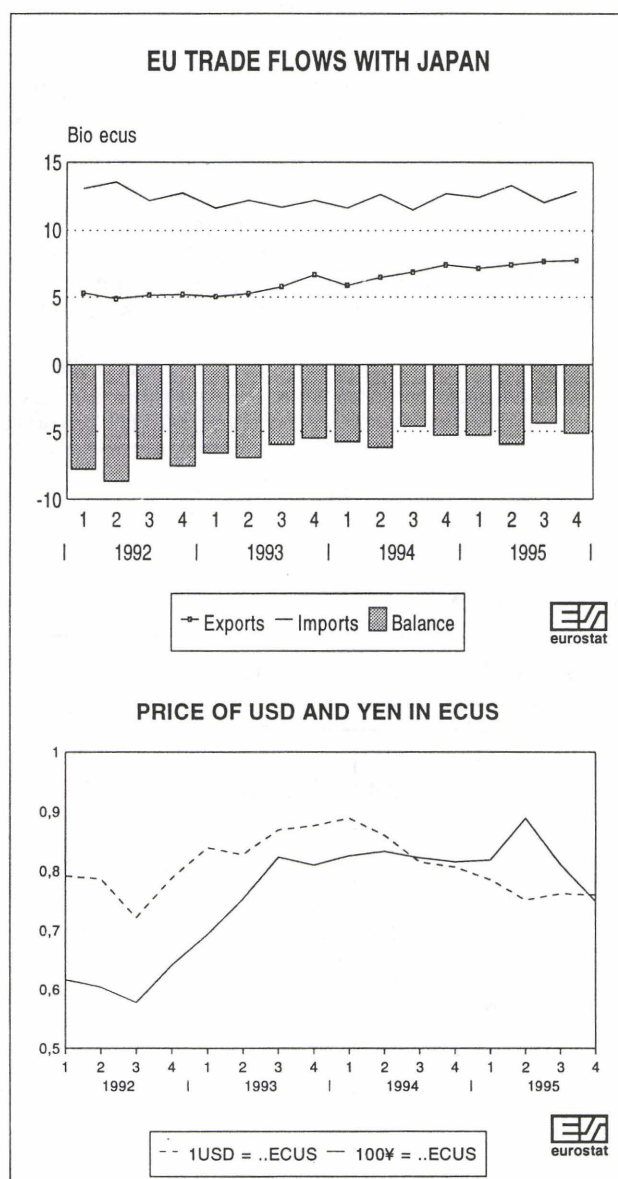
#### Part I: Summary

**I.1** In 1995, Japan supplied 8.7% of extra-EU imports and received 5.1% of extra-EU exports. The EU trade deficit with Japan slightly decreased from 21.8 bio ecu in 1994 to 20.7 bio ecu in 1995 confirming the continued, albeit weakened, trend of a decreasing EU deficit with Japan as shown during the last five years. EU exports to Japan increased by 12.5%, while EU imports from Japan were up by 4.5% in 1995 as compared to the previous year. The EU cover ratio (exports/imports) went up from 55 to 59.

**I.2** In 1995, EU imports from Japan amounted to 50.6 bio ecu, while EU exports to this country recorded 29.9 bio ecu. Manufactured products accounted for 98% of the EU-imports and 85% of EU-exports. For both flows, Machinery and Transport equipment displayed the highest shares: 74% of all EU-imports from Japan and 38% of all EU-exports to this country. The main product was Road vehicles by itself presenting 21% of EU-imports and 18% of EU-exports. Other main EU-imports were Electrical machinery, Office and data processing machines, and Telecommunication, sound recording and photographic equipment. Meanwhile other main EU-exports were articles of apparel, organic chemicals; medical and pharmaceutical products.

**I.3** In 1995, the largest EU deficits were recorded by Electrical machinery (6.5 bio ecu); Office and data processing machines (5.8 bio ecu); Road vehicles (5.1 bio ecu); Telecommunications and sound recording equipment (4.1 bio ecu). The highest EU surpluses concerned Articles of apparel (1.5 bio ecu), Medical and pharmaceutical products (0.9 bio ecu), and Beverages (0.8 bio ecu).

**I.4** All EU countries, except Denmark and Italy which recorded a small surplus of about 0.6 bio ecu each, showed a deficit with Japan. Highest deficits were recorded by the United Kingdom (7.1 bio ecu), Germany (5.9 bio ecu) and the Netherlands (4 bio ecu).



Source EUROSTAT, COMEXT, and TREND databases.  
External Trade Statistics (Imports CIF, Exports FOB).

1. As of January 1st, 1995, the European Union (EU) has been enlarged to 15 Member States. However, this report analyses figures for only 12 EU countries as detailed data for 1995 could not be supplied by the three new member states (Sweden, Finland, Austria).

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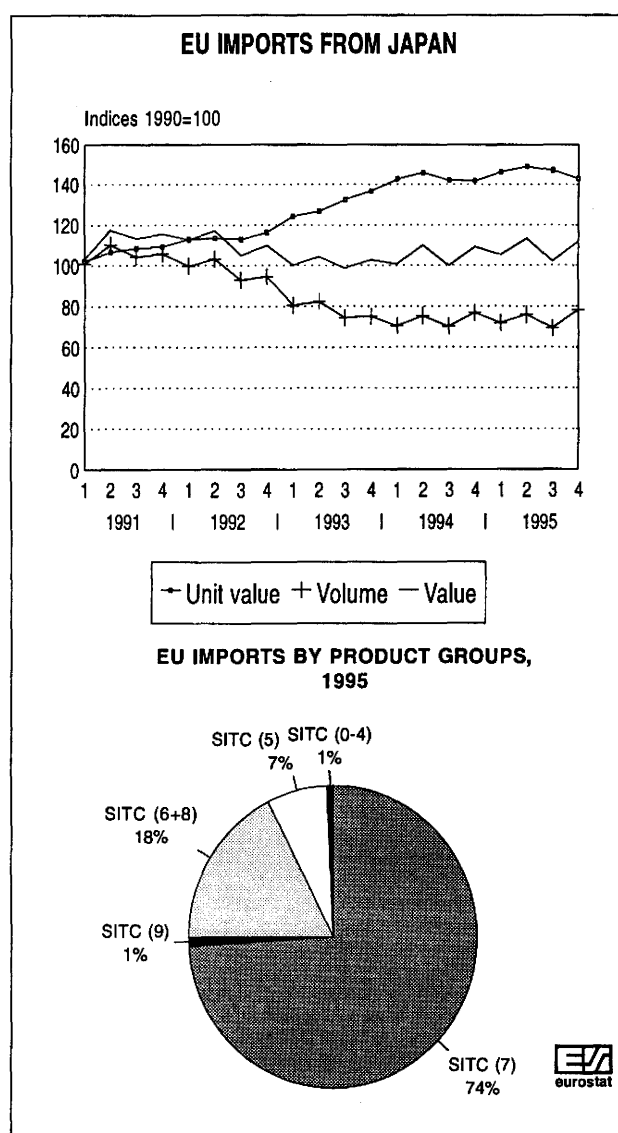
For further information please contact: A. MAY-VALORI  
Eurostat, L-2920 Luxembourg, tel. 4301-33839 Fax: 4301-34762

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## Part II: EU imports from Japan by product groups (SITC sections)<sup>2</sup>.



**II.1** EU imports from Japan increased 4.5% between 1994 and 1995, from 48.4 bio ecu to 50.6 bio ecu. This was below the growth rate of the extra-EU imports (5.9%) as a whole. Over a five year period, the average growth rate even showed a decrease of 0.6% p.a. Thus, Japan's share in the total extra-EU imports fell from 10.5% in 1991 to 8.7% in 1995. In volume terms, the imports from Japan registered an increase of 0.8% in 1995 compared to 1994; while unit values increased by 2.2%.

**II.2** The EU imports from Japan are totally concentrated in the Manufactured goods section (SITC 5-8) which in 1995, covered almost 98% of the total EU imports from Japan and amounted to 49.8 bio ecu (4.6% increase compared to 1994). Among them, the highest share was represented by Machinery and transport equipment (SITC 7) which accounted for 74% of all EU imports from this country, amounted 37.5 bio ecu. Further down Miscellaneous manufactured goods (SITC 6+8) followed with 8.9 bio ecu covering 17.5% of the EU imports from Japan. Primary goods (SITC 0-4) represented less than 1% of the total of EU imports with an amount of 0.4 bio ecu. A figure that has remained fairly stable for the past five years.

**II.3** The most dramatic annual variation was registered by Food, beverages and tobacco (SITC 0+1) which fell 34.9% between 1994 and 1995. This in turn affected the result of the primary goods which showed a 6% reduction over the previous year. Only Chemical products (SITC 5) recorded a growth rate (+14%) above the average of the total extra-EU imports (5.9%). Crude materials (SITC 2+4), Mineral fuels (SITC 3) and Other not classified goods (SITC 9) displayed growth rates of 5.5%, 5.8% and 5.7% respectively.

### EU IMPORTS FROM JAPAN

TRADE BY PRODUCTS (SITC Rev.3)	91	92	93	94	95	92/91	93/92	94/93	95/94	95/91
	Bio ecus					%variation p.a.				
<b>TOTAL (0-9)</b>	51.8	51.5	47.7	48.4	50.6	-0.6	-7.5	1.6	4.5	-0.6
Raw materials (0-4)	0.4	0.4	0.3	0.4	0.4	-6.9	-6.0	12.8	-6.0	-1.9
Food, beverage and tobacco (0+1)	0.1	0.1	0.1	0.1	0.1	-10.5	-7.0	-5.3	-34.9	-15.4
Crude materials except fuels (2+4)	0.2	0.2	0.2	0.2	0.2	-11.4	-16.7	28.7	5.5	0.1
Mineral fuels (3)	0.0	0.0	0.1	0.1	0.1	57.6	55.0	3.0	5.8	27.7
Manufactured products (5-8)	50.9	50.6	46.9	47.6	49.8	-0.5	-7.3	1.5	4.6	-0.5
Chemicals (5)	2.4	2.6	2.7	3.0	3.4	8.8	3.0	10.6	14.0	9.0
Machinery and transport equipment (7)	38.9	38.3	35.7	36.0	37.5	-1.4	-6.9	0.8	4.3	-0.9
Miscellaneous manufactured goods (6+8)	9.6	9.7	8.5	8.7	8.9	0.9	-12.0	1.6	2.5	-1.9
Other not classified goods (9)	0.5	0.5	0.4	0.5	0.5	-1.1	-24.8	14.0	5.7	-2.7
<b>MEMORANDUM ITEM</b>										
EU total imports (EXTRA-EU)	492.6	487.1	493.2	543.2	575.2	-1.1	1.3	10.1	5.9	3.9
Japan total imports *	191.0	179.4	206.5	230.2	256.5	-6.0	15.1	11.5	11.4	7.6
EU imports from USA	90.7	86.8	84.5	92.7	98.0	-4.3	-2.7	9.8	5.7	1.9
Japan imports from the USA *	43.3	40.6	47.8	53.1	57.9	-6.2	17.7	11.2	9.1	7.5

\* Source: IMF - DOTS

2. The Standard International Trade Classification is an analytical nomenclature introduced by the United Nations for the purposes of economic analysis. In this document, the third revision of the nomenclature (SITC Rev.3), introduced in 1988, is used.



### Part III: EU imports from Japan by main products (SITC divisions).

**III.1** The three most important goods from Japan by the EU in 1995, were Road Vehicles (SITC 78), Electrical Machinery (SITC 77) and Office machinery and computer (SITC 75), covering 20.5%, 15.4% and 14.2% of the total EU purchases from Japan (10.4 bio ecu, 7.8 bio ecu and 7.2 bio ecu respectively). These products together represented almost 50% of the total imports from this country. Telecommunications & sound recording (SITC 76) and General industrial machinery (SITC 74) followed with a share of 8.4% and 6%, 4 bio ecu and 3 bio ecu respectively. The ten most important products represented more than 80% of EU imports from Japan.

**III.2** Metal working machinery (SITC 73) and Medical and pharmaceutical products (SITC 54) registered the most important increases in imports compared to 1994, with growth rates of 28% and 24% respectively. Other significant rate changes were registered by Plastics in primary forms (SITC 57) and Electrical machinery and apparatus (SITC 77) with around 14% each. In contrast, imports of Telecommunications and sound recording (SITC 76) fell 11%.

**III.3** Almost 40% of Road Vehicles (SITC 78) imported by the EU in 1995 came from Japan. Other Japanese products with an important share in total extra-EU imports were: Photographic appliances, equipment and supplies (SITC 88) with 26%, Metal working machinery (SITC 73) and Rubber manufactures (SITC 62) with 23%, and Office machines and computers (SITC 75) and Telecommunications and sound recording (SITC 76) with almost 22% each.

**III.4** The main items which contributed to the growth of EU imports from Japan were Electrical machinery and apparatus (SITC 77) with 1.9 growth points, Office machinery and computer (SITC 75) with a growth of 1 point and General industrial machinery and equipment (SITC 74) with 0.8 points. In contrast, the significant fall of Telecommunications and sound recording (SITC 76) reduced the contribution to growth by 1 point.

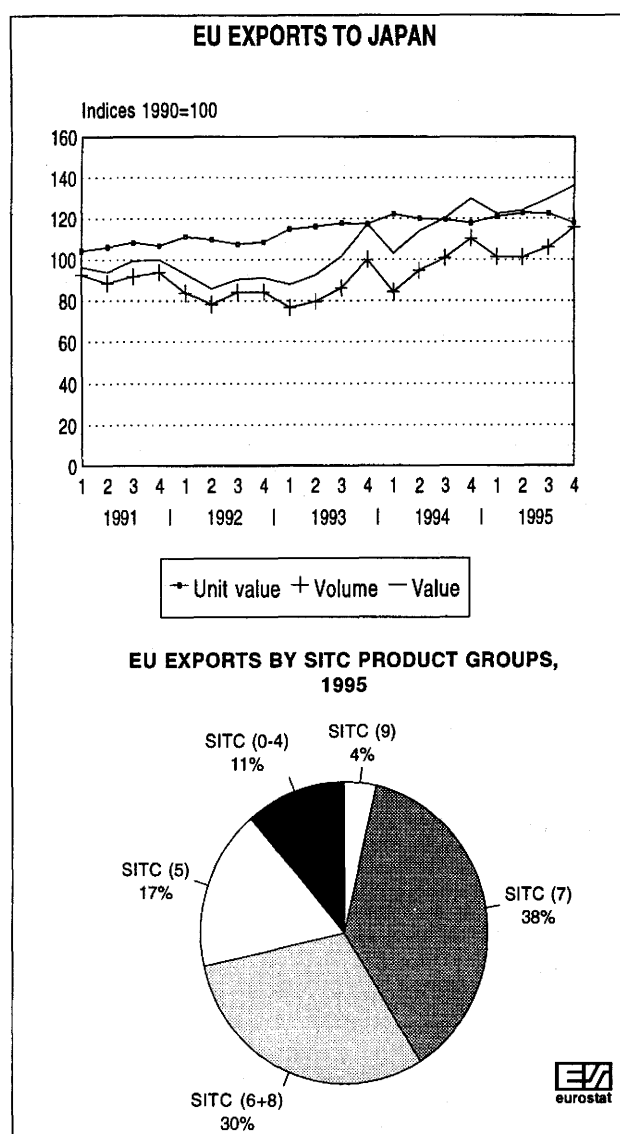
#### EU IMPORTS FROM JAPAN BY MAIN PRODUCTS, 1995

		Value	annual variation	contribution to growth* of total imports	share in		
SITC Rev.3	PRODUCTS	Bio ecus	%	in percentage growth points	Extra-EU imports by products **	EU imports from Japan	
						%	% cumul.
78	Road vehicles (including air-cushion vehicles)	10.41	-0.7	-0.1	39.6	20.6	20.6
77	Electr. mach., app. & appliances & electr. parts	7.81	13.5	1.9	19.3	15.4	36.0
75	Office machines & data-processing machines	7.20	7.5	1.0	21.3	14.2	50.2
76	Telecom., sound recording & reprod. app.	4.23	-10.8	-1.1	21.8	8.4	58.6
74	General industry mach. & equip., mach. parts	3.02	14.9	0.8	18.2	6.0	64.6
88	Photogr. app. equip. & supplies & optical goods	2.08	5.5	0.2	26.1	4.1	68.7
89	Miscellaneous manufactured articles	1.99	-5.9	-0.3	8.7	3.9	72.6
71	Power generating machinery & equipment	1.86	5.8	0.2	12.1	3.7	76.3
72	Machinery specialized for particular industries	1.78	12.9	0.4	15.8	3.5	79.8
87	Professional, scientific & controlling instr. & app.	1.53	7.0	0.2	13.4	3.0	82.8
51	Organic chemicals	1.31	16.7	0.4	10.7	2.6	85.4
73	Metalworking machinery	0.93	27.8	0.4	23.6	1.8	87.2
62	Rubber manufactures	0.80	17.7	0.2	22.9	1.6	88.8
69	Manufactures of metals	0.73	9.5	0.1	6.7	1.4	90.2
54	Medical & pharmaceutical products	0.61	24.5	0.2	6.4	1.2	91.4
65	Textile yarn, fabrics, made-up art., & related prod.	0.56	-1.2	0.0	4.2	1.1	92.5
66	Non-metallic mineral manufactures	0.52	3.8	0.0	3.7	1.0	93.6
57	Plastics in primary forms	0.39	14.1	0.1	6.4	0.8	94.3
59	Chemical materials & products, n.e.s.	0.36	2.4	0.0	7.9	0.7	95.1
58	Plastics in non-primary forms	0.35	10.2	0.1	12.4	0.7	95.7

\* The contribution to the growth is the ratio between the increase of each product flow and the total imports of the previous year in %

\*\* i.e. EU imports of a product from Japan related to total extra-EU imports of this product.

## Part IV: EU exports to Japan by product groups (SITC sections).



**IV.1** The value of EU exports to Japan increased by a remarkable 12.5% between 1994 and 1995 from 26.6 bio ecu to 29.9 bio ecu. The yearly average growth rate for the total extra-EU exports increased by 8.8%. The share of the EU exports to Japan for 1995 compared to 1994 increased slightly over 5% of the total extra-EU exports. The increase registered in export values was mainly a result of the increase in the volumes (9%) as unit values remained fairly stable.

**IV.2** The average yearly growth rate of EU exports to Japan from 1991 to 1995 was of 7.8%. A sharp reduction of -7.2% from 1991 to 1992 was followed by important increases in the following three years.

**IV.3** As in the case of imports, EU exports to this country were mainly concentrated in the Manufactured products (SITC 5-8) which represented 85% of the total in 1995. They increased by 14.4% compared to the previous year (25.5 bio ecu). This concentration was mainly due to the important share of the Machinery and transport equipment section (SITC 7) (37.5% of EU exports) with a growth of 19% and Miscellaneous manufactured goods (SITC 6+8) (30% of EU exports) with a 14 % growth, amounting 11.2 bio ecu and 9.1 bio ecu respectively.

**IV.4** Primary goods (SITC 0-4) only recorded a 1.5% growth rate, from 3.3 bio ecu to 3.4 bio ecu between 1994 and 1995. In spite of a steep decrease of 34% which was registered by Mineral Fuels (SITC 3) (0.03 bio ecu) and of 4.3% by Crude materials except fuels (SITC 2+4) (0.59 bio ecu), Food, beverages and tobacco (SITC 3) (2.8 bio ecu) compensated for this by recording a positive growth rate of 3.5% within this section.

### EU EXPORTS TO JAPAN

TRADE BY PRODUCTS (SITC Rev.3)	91	92	93	94	95	92/91	93/92	94/93	95/94	95/91
	Bio ecus					%variation p.a.				
<b>TOTAL (0-9)</b>	22.2	20.6	22.8	26.6	29.9	-7.2	10.7	16.9	12.5	7.8
Raw materials (0-4)	2.7	2.8	2.9	3.3	3.4	1.4	6.6	12.8	1.5	5.5
Food, beverage and tobacco (0+1)	2.2	2.3	2.3	2.7	2.8	1.6	3.6	13.4	3.5	5.4
Crude materials except fuels (2+4)	0.5	0.4	0.6	0.6	0.6	-2.1	27.9	7.8	-4.3	6.6
Mineral fuels (3)	0.0	0.1	0.0	0.0	0.0	29.7	-43.0	53.1	-34.2	-7.1
Manufactured products (5-8)	18.5	16.9	19.0	22.3	25.5	-8.5	12.0	17.6	14.4	8.4
Chemicals (5)	3.6	3.8	4.4	4.8	5.1	6.6	14.1	10.6	6.4	9.4
Machinery and transport equipment (7)	7.8	6.7	8.0	9.4	11.2	-14.1	19.1	18.2	19.0	9.5
Miscellaneous manufactured goods (6+8)	7.1	6.4	6.6	8.0	9.1	-10.0	3.3	21.4	13.9	6.5
Other not classified goods (9)	0.9	0.9	0.9	1.0	1.1	-6.5	-2.3	15.9	6.9	3.1
<b>MEMORANDUM ITEM</b>										
EU total exports (EXTRA-EU)	423.2	436.1	491.1	541.8	589.3	3.0	12.6	7.3	8.8	8.6
Japan total exports *	254.1	261.9	309.7	332.3	338.3	3.1	18.3	7.3	1.8	7.4
EU exports to the USA	71.2	73.8	85.1	95.2	93.3	3.7	15.4	4.1	-1.9	7.0
Japan exports to the USA *	74.4	74.5	91.3	99.8	93.2	0.1	22.5	9.3	-6.6	5.8

\* Source: IMF-DOTS



## Part V: EU exports to Japan by main products (SITC divisions)

**V.1** During 1995, Road vehicles (SITC 78) registered the highest amount in exports to Japan with 5.3 billion ecu, representing 17.7% of the total EU-exports to this country. The next most exported products were as follows: Articles of apparel & clothing accessories (SITC 84), Organic Chemicals (SITC 51), Medical & pharmaceutical products (SITC 54), and Miscellaneous manufactured articles (SITC 89) with around 1.5 bio ecu each. The aforementioned divisions together covered 38% of the total value of EU exports to Japan. The first ten ranked products represented 58% of the total EU exports to Japan indicating a much lower product concentration than on the EU import side.

**V.2** In 1995, the EU exports of Inorganic Chemicals (SITC 51), Office machines & computers (SITC 75) showed the highest annual growth with rates of 51% and 41% respectively. Electrical machinery appliances (SITC 77) and General industrial machinery & equipment (SITC 74) also showed important growth

rates of around 24% each. On the other hand, negative variations were registered by Medical and pharmaceutical products (SITC 54) and Beverages (SITC 11) which fell 7% and 5.6%, respectively.

**V.3** Around 31% of Travel goods, handbags (SITC 83) and 17% of Meat and meat preparations (SITC 01) exported by the EU went to Japan in 1995. Japan was also an important outlet for Articles of apparel and clothing accessories (SITC 84) and Inorganic chemicals (SITC 52), with 12% and 11% respectively (together making almost 2 bio ecu).

**V.4** Road Vehicles (SITC 78) and Office machines & computers (SITC 75) were the products which contributed the most to the EU export growth to Japan in 1995, together summing up around 4 growth points. Articles of apparel (SITC 84) and Electrical machinery (SITC 77) added another 1 percentage point each.

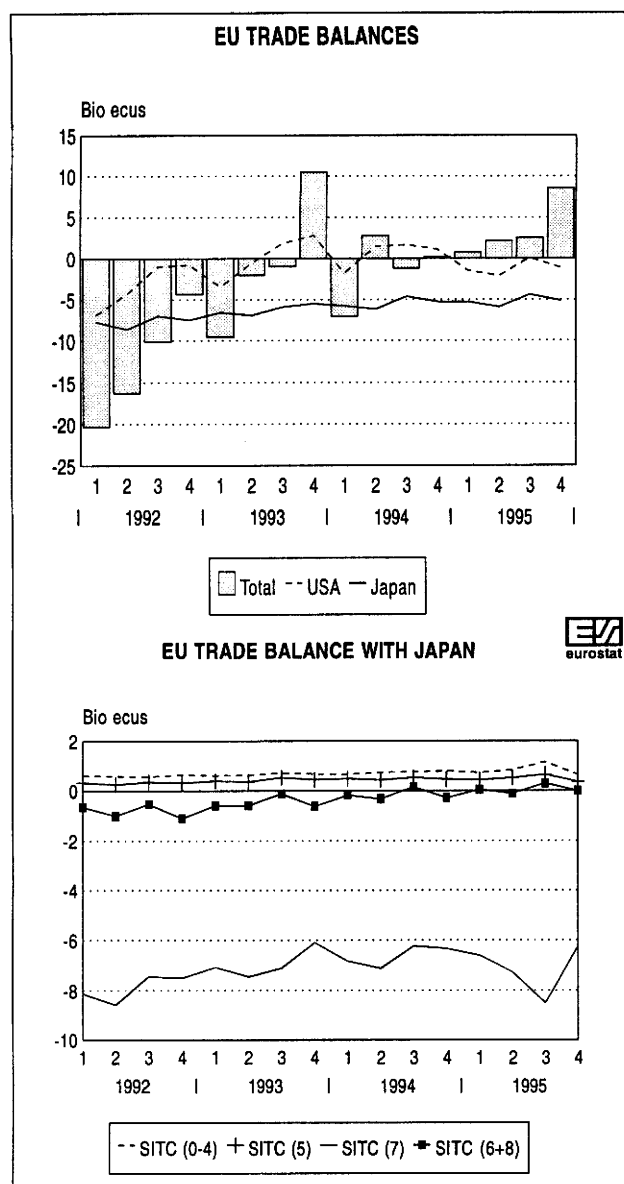
### EU EXPORTS TO JAPAN BY MAIN PRODUCTS, 1995

		level	annual variation	contribution to growth* of total exports	share in		
SITC Rev.3	PRODUCTS	Bio ecus	%	in percentage growth points	Extra-EU exports by products*	EU exports to Japan	
						%	% cumul.
78	Road vehicles (including air-cushion vehicles)	5.31	15.0	2.6	9.7	17.7	17.7
84	Articles of apparel & clothing accessories	1.59	18.2	0.9	12.0	5.3	23.0
51	Organic chemicals	1.57	6.5	0.4	9.4	5.2	28.3
54	Medical & pharmaceutical products	1.48	-7.1	-0.4	8.5	4.9	33.2
89	Miscellaneous manufactured articles, n.e.s.	1.46	11.0	0.5	5.6	4.9	38.1
75	Office mach. & automatic data-processing mach.	1.36	40.9	1.5	7.6	4.5	42.7
77	Electr. mach., appliances & electr. parts	1.30	23.3	0.9	3.2	4.3	47.0
66	Non-metallic mineral manufactures, n.e.s.	1.11	4.5	0.2	5.6	3.7	50.7
72	Machinery specialized for particular industries	1.10	19.7	0.7	3.0	3.7	54.4
74	General industr. mach. & equip., mach. parts	1.04	24.2	0.8	2.8	3.5	57.9
65	Textile yarn, fabrics, made-up art., & related prod.	0.93	17.2	0.5	5.2	3.1	61.0
87	Professional, scientific & controlling instr. & app.	0.91	19.9	0.6	6.8	3.0	64.0
11	Beverages	0.81	-5.6	-0.2	9.7	2.7	66.7
01	Meat & meat preparations	0.72	2.8	0.1	17.0	2.4	69.1
83	Travel goods, handbags & similar containers	0.61	9.4	0.2	30.7	2.0	71.2
59	Chemical materials & products, n.e.s.	0.60	10.0	0.2	5.8	2.0	73.2
79	Other transport equipment	0.52	-0.4	0.0	1.8	1.7	74.9
52	Inorganic chemicals	0.44	51.3	0.6	10.6	1.5	76.4
55	Essential oils & perfume mat.; toilet, polish	0.43	29.6	0.4	5.6	1.4	77.8
88	Photogr. app., equip. & supplies, optical goods	0.39	0.7	0.0	5.8	1.3	79.1

\* The contribution to the growth is the ratio between the increase of each product flow and the total exports of the previous year in %

\*\* i.e. EU exports of a product to Japan related to total extra-EU exports of this product.

## Part VI: EU trade balance with Japan by product groups (SITC sections)



**VI.1** The EU's trade deficit with Japan fell from 21.8 bio ecu in 1994 to 20.7 bio ecu in 1995, confirming the continued, albeit weakened, trend of a decreasing EU deficit with Japan as shown during the last five years. This is roughly in line with the improvement of the overall EU trade balance with the world during the same period. The reduction of the EU deficit with Japan in 1995 over the previous year resulted from a remarkable EU export increase of 12.5 % as compared to an increase of 4.5% in EU imports. On average, since 1991, the improvement of the EU trade balance with Japan was due to the stagnation of EU imports from Japan, and the yearly growth on EU exports of almost 8%.

**VI.2** Between 1994 and 1995, the ecu/yen exchange rate remained rather stable (1.3% appreciation of the ecu). As EU import and export unit values increased by only 2% and 1% respectively, most of the export and import expansion took place in volume terms. This is not the same pattern as for the comparison between 1991 and 1995. While the average annual growth of EU exports to Japan consisted of increases in both unit values (3%) and volumes (4%), the stagnation of EU import values from Japan was a result of a strong increase in unit values (8%) - due to a 7.8% appreciation of the Yen vis-a-vis the ecu - and a decrease in volumes (-9%).

**VI.3** In 1995, as in the previous four years, the breakdown into main product groups shows a deficit in the Manufactured products (SITC 5-8) consistently higher than the total bilateral deficit. Among processed products, Machinery and Transport equipment (SITC 7) was the origin of the gap in EU exports and it was only in Chemicals (SITC 5) that notable and increasing EU surpluses were recorded. As for Raw materials (SITC 0-4), the EU shows a steadily improving surplus, mainly in the Food, beverage and tobacco sections (SITC 0+1).

### EU TRADE BALANCE WITH JAPAN

TRADE BY PRODUCTS (SITC Rev.3)	91	92	93	94	95	91	92	93	94	95
	Bio ecus					Cover ratio = [(exports/imports)*100]				
<b>TOTAL (0-9)</b>	-29.7	-31.0	-24.9	-21.8	-20.7	43	40	48	55	59
Raw materials (0-4)	2.3	2.4	2.6	2.9	3.0	694	756	857	857	925
Food, beverage and tobacco (0+1)	2.1	2.1	2.2	2.5	2.7	1583	1797	2002	2398	3810
Crude materials except fuels (2+4)	0.2	0.2	0.4	0.4	0.4	200	221	339	284	257
Mineral fuels (3)	0.0	0.0	0.0	0.0	0.0	180	148	54	81	50
Manufactured products (5-8)	-32.4	-33.7	-28.0	-25.3	-24.3	36	33	40	47	51
Chemicals (5)	1.2	1.2	1.7	1.9	1.8	150	147	163	163	152
Machinery & transport equipment (7)	-31.1	-31.6	-27.7	-26.5	-26.3	20	18	22	26	30
Miscellaneous manuf. goods (6+8)	-2.5	-3.3	-2.0	-0.7	0.2	74	66	77	92	102
Other not classified goods (9)	0.4	0.3	0.5	0.5	0.6	172	162	211	214	217
<b>MEMORANDUM ITEM</b>										
EU trade balance (EXTRA-EU)	-69.4	-51.0	-2.1	-1.3	14.1	86	90	100	100	102
Japan trade balance	63.1	82.5	103.3	102.0	81.7	133	146	150	144	132
EU/USA trade balance	-19.6	-13.0	0.6	2.4	-4.6	78	85	101	103	95
Japan/USA trade balance	31.1	33.9	43.5	46.7	35.3	172	184	191	188	161

\* Source: IMF-DOTS

# **Part VII: EU trade balance and intra-industry trade intensity with Japan by main product category (SITC divisions)**

**VII.1** In 1995, the EU largest surplus with Japan was Articles of apparel and clothing accessories (SITC 84) which amounted 1.5 bio ecu. This same division recorded the highest surplus for the last five years. Medical and pharmaceutical products (SITC 54) followed with 0.9 bio ecu and Beverages (SITC 11) with 0.8 bio ecu. Other positive balances were recorded in Meat and meat preparations (SITC 01) and Travel goods, handbags and similar containers (SITC 83) with 0.6 bio ecu each.

**VII.2** The largest deficits in 1995 were reported by the Electrical machinery and apparatus (SITC 77) and Office machines and computer (SITC 75) with amounts of 6.5 bio ecu and 5.8 bio ecu respectively. The former division has worsened through the five year period, while the deficit of the latter has been somewhat reduced since 1991. Next in line where Road Vehicles (SITC 78) and Telecommunications sound & video equipment (SITC 76), with 5 bio ecu and 4 bio ecu respectively.

## **EU TRADE BALANCE WITH JAPAN BY MAIN SITC DIVISIONS**

SITC	1995 HIGHEST SURPLUSES	91	92	93	94	95
Rev.3		Value in Bio ecus (10 <sup>9</sup> ecus)				
84	Articles of apparel & clothing accessories	0.94	0.88	0.85	1.22	1.49
54	Medical & pharmaceutical products	0.72	0.81	0.95	1.10	0.87
11	Beverages	0.78	0.75	0.70	0.84	0.80
01	Meat & meat preparations	0.53	0.62	0.66	0.70	0.72
83	Travel goods, handbags & similar containers	0.35	0.35	0.41	0.55	0.60
66	Non metallic mineral manufactures, n.e.s	0.65	0.39	0.48	0.57	0.59
85	Footwear	0.21	0.21	0.26	0.31	0.38
55	Essential oils & perfume materials; toilet, polish & clean prep.	0.22	0.24	0.25	0.27	0.37
65	Textile yarn, fabrics, made-up articles. n.e.s, & related products	0.13	0.04	0.06	0.22	0.37
52	Inorganic chemicals	0.26	0.25	0.23	0.16	0.30
	<b>1995 LARGEST DEFICITS</b>					
77	Electrical machinery & app.; electrical parts thereof	-4.37	-4.18	-4.51	-5.83	-6.52
75	Office machines & automatic dataprocessing machines	-6.60	-6.62	-5.58	-5.74	-5.84
78	Road vehicles (including air-cushion vehicles)	-8.94	-10.08	-8.25	-5.87	-5.10
76	Telecomm., sound recording, reprod. apparatus & equipment	-7.27	-6.30	-5.08	-4.62	-4.10
74	General industr. machinery & equip. n.e.s machines parts	-1.70	-1.90	-1.52	-1.79	-1.98
88	Photogr. app., equipment & supplies, optical goods, watches	-2.05	-1.86	-1.61	-1.58	-1.68
71	Power generating machines & equipment	-0.90	-1.05	-1.35	-1.52	-1.58
73	Metal working machinery	-0.68	-0.48	-0.44	-0.58	-0.74
72	Machinery specialized for particular industries	-0.78	-0.91	-0.67	-0.65	-0.68
62	Rubber manufactures, n.e.s	-0.41	-0.46	-0.46	-0.54	-0.65



**VII.3** In 1995, the products that registered the highest intra-industry trade intensity were Oil seeds and oleaginous fruits (SITC 22) and Petroleum, petroleum products (SITC 33) with 99 and 97, however, trade flows for both products were rather small. The next products which followed were Paper, paperboard (SITC 64) and Organic Chemicals (SITC 51) which had a trade intensity of around 90. The other divisions found with

relatively high intra-industry trade intensity were manufactured products.

**VII.4** Primary products were mainly the items which registered the lowest intra-industry trade intensity in 1995. Except for Telecommunications & sound recording (SITC 76), all the other low-intensity products reported higher EU exports than EU imports.

## **EU-JAPAN INTRA-INDUSTRY TRADE INTENSITIES BY PRODUCTS (\*) IN 1995**

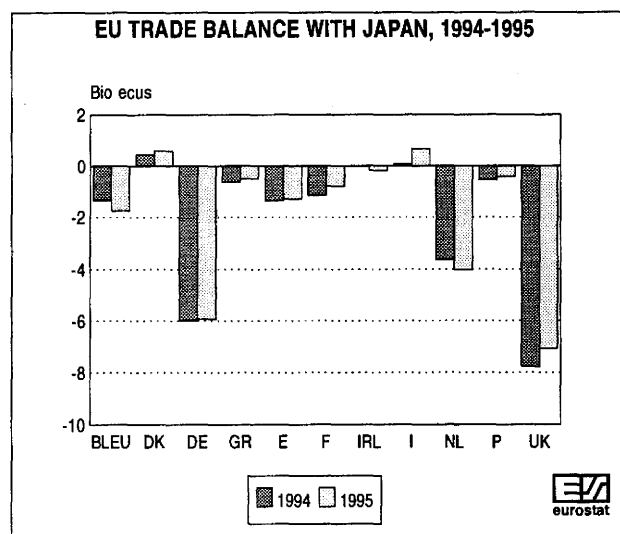
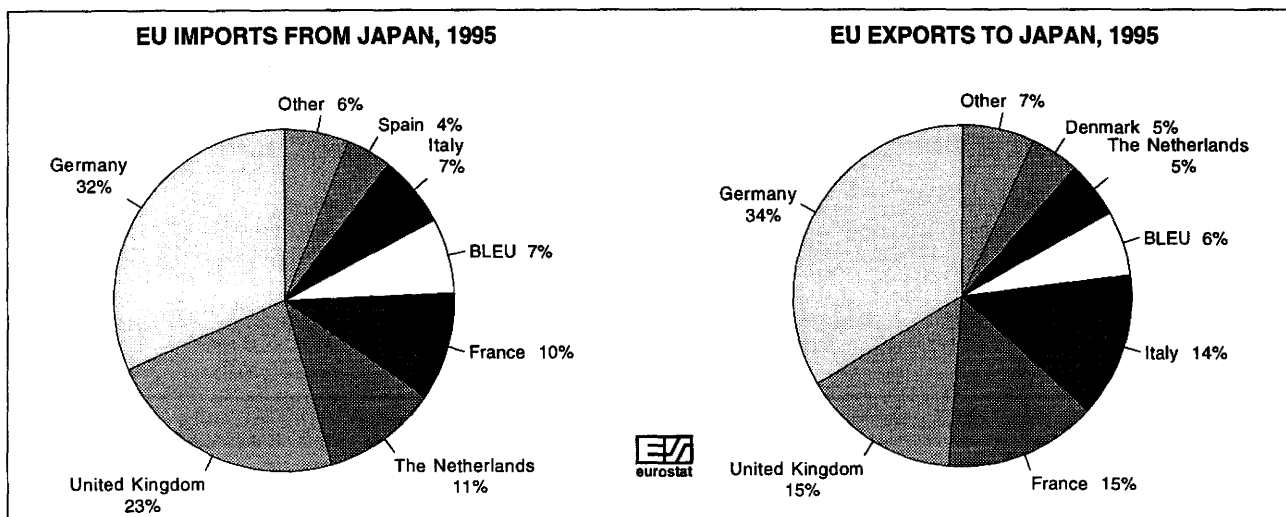
SITC	Products with highest	SITC	Products with lowest
Rev.3	intra-industry trade intensity	Rev.3	intra-industry trade intensity
22	Oil seeds & oleaginous fruits	99	Meat & meat preparations
33	Petroleum, petroleum prod. & related mat.	97	Dairy products & bird's eggs
64	Paper, Paperboard & art. of paperpulp paper	91	Hides, skins & furskins, raw
51	Organic chemicals	91	Tobacco & tobacco manufactures
26	Textiles fibres, wastes; not manuf.	89	Footwear
57	Plastics in primary forms	85	Beverages
89	Miscellaneous manufactured articles, n.e.s.	85	Travel goods, handbags & similar containers
53	Dyeing, tanning & colouring materials	84	Pulp & waste paper
72	Machinery specialized for particular industries	77	Telecommunic., sound recording, reprod. app
65	Textile yarn, fabrics, made-up art., & related prod.	75	Vegetables & fruits

(\*) Intra-industry trade intensity =  $\frac{(Xi + Mi) - |Xi - Mi|}{Xi + Mi} * 100$

This measures the intensity of trade between two partners for the same product. Its value can vary between 100 (= exports and imports of the same size) and 0 (= trade takes place only in one direction, i.e. exports or imports are zero).



## Part VIII: EU trade flows with Japan by Member States



**VIII.1** In 1995, the trade between the EU and Japan was dominated by few countries. Germany was the most important outlet with a share of 31.6%. The UK followed with a participation of almost 23%. Netherlands and France registered a share of 11% and 10% respectively. On the export side, the share of German exports to Japan was 33.6%; British exports were 15.1%, and French exports were 14.6%.

**VIII.2** German imports accounted for 16 bio ecu in 1995 with a growth rate of 4.5% compared to 1994; while its exports amounted to 10 bio ecu with a growth of almost 8%. The UK trade remained stable at 11.6 bio ecu in imports; while exports increased 18% amounting 4.5 bio ecu. France's imports increased almost 2% to 5.2 bio ecu and its exports improved heavily by 11% to 4.4 bio ecu. Italian imports were 3.4 bio ecu (+3%), while its exports registered an important growth of 20% and increased to 4 bio ecu.

**VIII.3** The largest growth rates in imports were shown by Ireland (28.8%), BLEU (24.1%) and the Netherlands (11.8%). In contrast, the lowest annual growths were in imports of Greece (-18%), Portugal (-13.4%) and Denmark (-12.6%). Exports from Italy, BLEU and Spain to Japan registered the highest growths with around 20% each. Meanwhile, Greece was the only country to record a negative annual variation in exports (-19%).

**VIII.4** Only Italy and Denmark recorded trade surpluses with Japan of around 0.6 bio ecu each. The UK, Germany and the Netherlands showed the biggest deficits, with amounts of -7 bio ecu, -5.9 bio ecu and -4 bio ecu respectively.

### EU TRADE WITH JAPAN BY MEMBER STATES

	IMPORTS				EXPORTS				TRADE BALANCE			
	95	94	95	95 / 94	95	94	95	95 / 94	94	95	95/94	95/94
	share	Bio ecus	%-var		share	Bio ecus	%-var		Bio ecus	absolute var.	% of total trade	
BLEU	7.1	2.88	3.58	24.1	6.1	1.54	1.84	19.3	-1.34	-1.74	-0.4	-0.3
Denmark	1.6	0.90	0.79	-12.6	4.6	1.34	1.39	3.2	0.44	0.60	0.2	0.3
Germany	31.6	15.30	15.98	4.5	33.6	9.32	10.05	7.9	-5.98	-5.93	0.1	-0.2
Greece	1.1	0.69	0.57	-18.1	0.2	0.08	0.06	-19.4	-0.61	-0.50	0.1	-0.8
Spain	4.3	2.11	2.19	4.0	3.0	0.75	0.90	19.0	-1.35	-1.29	0.1	-0.4
France	10.2	5.09	5.18	1.9	14.6	3.94	4.37	10.8	-1.14	-0.81	0.3	-0.1
Ireland	2.3	0.91	1.18	28.8	3.3	0.89	0.99	10.8	-0.02	-0.18	-0.2	-0.1
Italy	6.8	3.33	3.43	2.9	13.7	3.41	4.09	20.1	0.08	0.67	0.6	0.1
The Netherlands	11.0	5.00	5.59	11.8	5.3	1.37	1.58	15.2	-3.62	-4.01	-0.4	-0.6
Portugal	1.1	0.65	0.56	-13.4	0.5	0.11	0.14	18.5	-0.53	-0.43	0.1	-0.6
United Kingdom	22.9	11.59	11.59	0.0	15.1	3.83	4.52	18.1	-7.77	-7.08	0.7	-0.4
EUR12	100.0	48.45	50.63	4.5	100.0	26.60	29.93	12.5	-21.85	-20.69	1.2	-0.3